

231476

STATE OF SOUTH CAROLINA

(Caption of Case)

Joint Application for Approval of the Transfer
of the Sewer Facilities, Territories, and
Certificates of Public Convenience and Necessity
of Alpine Utilities, Inc. and Woodland
Utilities, Inc. to Palmetto Wastewater
Reclamation, LLC and the Grant of a Certificate
of Authority to Issue Securities

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET
NUMBER: 2001 - 65 - S

(Please type or print)

Submitted by: Benjamin P. Mustian, Esquire

SC Bar Number: 68269

Address: Post Office Box 8416

Telephone: 803-252-3300

Columbia, SC 29202

Fax: 803-771-2410

Other:

Email: bmustian@willoughbyhoefer.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition☐ Request for item to be placed on Commission's Agenda expeditiously☒ Other:

INDUSTRY (Check one)

NATURE OF ACTION (Check all that apply)

- ☐ Electric
☐ Electric/Gas
☐ Electric/Telecommunications
☐ Electric/Water
☐ Electric/Water/Telecom.
☐ Electric/Water/Sewer
☐ Gas
☐ Railroad
☒ Sewer
☐ Telecommunications
☐ Transportation
☐ Water
☐ Water/Sewer
☐ Administrative Matter
☐ Other: _____

- ☐ Affidavit
☐ Agreement
☐ Answer
☐ Appellate Review
☐ Application
☐ Brief
☐ Certificate
☐ Comments
☐ Complaint
☐ Consent Order
☐ Discovery
☐ Exhibit
☐ Expedited Consideration
☐ Interconnection Agreement
☐ Interconnection Amendment
☐ Late-Filed Exhibit
- ☒ Letter
☐ Memorandum
☐ Motion
☐ Objection
☐ Petition
☐ Petition for Reconsideration
☐ Petition for Rulemaking
☐ Petition for Rule to Show Cause
☐ Petition to Intervene
☐ Petition to Intervene Out of Time
☐ Prefiled Testimony
☐ Promotion
☐ Proposed Order
☐ Protest
☐ Publisher's Affidavit
☐ Report
- ☐ Request
☐ Request for Certification
☐ Request for Investigation
☐ Resale Agreement
☐ Resale Amendment
☐ Reservation Letter
☐ Response
☐ Response to Discovery
☐ Return to Petition
☐ Stipulation
☐ Subpoena
☐ Tariff
☒ Other: Letter of Credit

Print Form

Reset Form

WILLOUGHBY & HOEFER, P.A.

ATTORNEYS & COUNSELORS AT LAW

930 RICHLAND STREET

P.O. BOX 8416

COLUMBIA, SOUTH CAROLINA 29202-8416

MITCHELL M. WILLOUGHBY
JOHN M.S. HOEFER
RANDOLPH R. LOWELL
TRACEY C. GREEN
BENJAMIN P. MUSTIAN
ELIZABETH ZECK*
MICHAEL R. BURCHSTEAD
ANDREW J. MACLEOD
CHAD N. JOHNSTON

*ALSO ADMITTED IN TX

AREA CODE 803
TELEPHONE 252-3300
TELECOPIER 256-8062

August 12, 2011

VIA HAND DELIVERY

The Honorable Jocelyn G. Boyd
Chief Clerk / Administrator
Public Service Commission of South Carolina
Synergy Business Park
101 Executive Center Drive
Columbia, South Carolina 29210-8411

RE: Joint Application for Approval of the Transfer of the Sewer Facilities, Territories, and Certificates of Public Convenience and Necessity of Alpine Utilities, Inc. and Woodland Utilities, Inc. to Palmetto Wastewater Reclamation, LLC and the Grant of a Certificate of Authority to Issue Securities; Docket No. 2001-65-S

Dear Ms. Boyd:

Enclosed for filing please find a copy of a letter from Palmetto Wastewater Reclamation, LLC ("PWR") regarding the closing of the transaction between Alpine Utilities, Inc. ("Alpine") and Woodland Utilities, Inc. ("Woodland") which was approved by the Public Service Commission of South Carolina ("South Carolina") in Order No. 2011-320 dated May 13, 2011. As referenced therein, enclosed, please also find a copy of correspondence to be mailed to customers of PWR advising them of the change in ownership of Alpine and Woodland as a result of this transaction.

PWR also encloses for filing with the Commission a copy of a letter of credit in the amount of \$350,000.00 issued by Bank of America ("BOA") to PWR and reflecting the Commission as the beneficiary. It is my understanding that BOA forwarded the original letter of credit to the South Carolina Office of Regulatory Staff ("ORS"). I have spoken to their counsel who informs me that, upon its receipt, ORS will file the original letter of credit with the Commission in this docket.

Please be advised that the copy of the letter of credit has been marked as "Confidential Information" and is being submitted under seal in a separate envelope marked "confidential" in accordance with Commission Order No. 2005-226 issued in Docket No. 2005-83-A and dated

(Continued . . .)

The Honorable Jocelyn G. Boyd

August 12, 2011

Page 2

May 6, 2005. A redacted version of this material is included as required by Order No. 2005-226. PWR hereby requests that this material designated as "Confidential Information" and enclosed in the separate envelope marked "confidential" be exempted from public disclosure and bar the disclosure of this letter in accordance with the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, S.C. Code Ann. Regs. 103-804(S)(1), or any other applicable provision of law, except in redacted form. Additionally, PWR respectfully requests the Commission afford the same confidential treatment to the original letter of credit upon its filing with the Commission by ORS. The basis for this request is that the unredacted letter of credit contains proprietary and protected account information. I have consulted with counsel for the Office of Regulatory Staff ("ORS") regarding this request and he has indicated that his client does not oppose same.

I would appreciate your acknowledging receipt of this document by date-stamping the extra copy that is enclosed and returning it to me via our courier. By copy of this letter, I am serving counsel of record with a copy of the bond and enclose my certificate to that effect.

If you have any questions, or need additional information, please do not hesitate to contact me. With best regards, I am

Sincerely,

WILLOUGHBY & HOEFER, P.A.

A handwritten signature in black ink, appearing to read 'B. Mustian', with a stylized flourish at the end.

Benjamin P. Mustian

BPM/ct
Enclosure

cc: Jeffrey M. Nelson, Esq.
Shealy Boland Reibold, Esq.

Palmetto Wastewater Reclamation LLC
An affiliate of Palmetto Utilities, Inc.

August 12, 2011

Via e-filing

Honorable Jocelyn Boyd, Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Docket No. 2011-65-S

Dear Ms. Boyd:

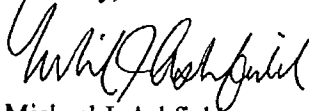
Palmetto Wastewater Reclamation LLC (PWR) has closed on the transaction approved by the Commission in Order No. 2011-320 issued May 13, 2011, in the above referenced docket.

PWR is notifying customers of the two systems by way of the attached correspondence, which is being mailed to customers separately. Customers will continue to be charged currently approved rates as provided for in the Order No. 2011-320.

Enclosed for filing is a copy of a letter of credit in the amount of \$350,000, drawn on the Bank of America, for the benefit of the Commission in accordance with R.103-512.3. It is our understanding that the Bank of America forwarded the original letter of the credit to the South Carolina Office of Regulatory Staff ("ORS"). Our legal counsel has spoken with the ORS and we understand that, following their review, they will file the original letter of credit with the Commission.

In accordance with R.103-512.2.5, enclosed please find the completed Authorized Utility Form. As well, please be advised that I am the contact person for PWR. My contact information is set forth below. For emergencies during non-office hours, PWR's contact person is Craig Sherwood, who may be reached at 1710 Woodcreek Farms Rd, Elgin, SC 29045 or via phone at 803-603-4046.

Sincerely,



Michael J. Ashfield
Sr. VP Operations
10913 Metronome Dr.
Houston, Texas 77043
713-574-7762

Attachments

cc: Hon. C. Dukes Scott, ORS
Craig Sherwood, PWR
John Hoefer, Willoughby & Hoefer

Palmetto Wastewater Reclamation, LLC

August , 2011

Subject: Change in ownership of the Alpine Wastewater Utility

Dear Alpine Customers:

We are pleased to announce that, as of August , 2011, Palmetto Wastewater Reclamation, LLC ("PWR") has acquired the Alpine Wastewater Utility System that serves your home or business. PWR is an affiliate of Palmetto Utilities, Inc., which has a nearly thirty year wastewater service history in northeast Richland County. PWR welcomes you to the growing Palmetto family of wastewater utilities. The quality of service we provide to our customers is always important to us. Equally as important are the environmental concerns and the impact that wastewater overflows can have on area lakes and waterways.

We look forward to serving you as a customer of PWR and will keep you informed as we work to improve the Alpine system and service. You will continue to be charged the currently approved rate for Alpine. Any change in that rate must be approved by the Public Service Commission of South Carolina ("Commission"). You will be given notice of any proceeding which may be filed with the Commission for that purpose.

Please look for upcoming news and information regarding TOWN HALL MEETINGS we will hold to discuss utility improvements and other issues of concern to our customers. Meeting times will be posted on the Palmetto website as details become available.

The Palmetto Wastewater Reclamation, LLC office is located at:

1710 Woodcreek Farms Rd

Elgin, SC 29045

Main: 803-699-2422; Fax: 803-699-2423

Office Hours: 8:30-4:30 Monday-Friday

<http://www.palmettoutilities.com>

As you may be aware, there have been a number of sanitary sewer overflows (SSOs) in the Alpine wastewater system recently. SSOs in the Alpine system have the potential to affect downstream waterways such as Stoops Creek and the Lower Saluda River. Therefore, our primary concern going forward will be to minimize the number of, and provide better response times, to these SSOs by making needed improvements.

We will be conducting a vigorous capital improvement program designed to improve the overall level of environmental compliance by making repairs to both the collection system and the treatment plant. We expect to begin repairs and improvements immediately and you may notice crews working in your neighborhood. We sincerely hope that these activities will cause you no undue inconvenience. Initial improvements, which have been coordinated with SCDHEC, will include:

Repair and cleanout of the collection system and the clearing of rights-of-way; the inspection of and repair of manholes and lift stations; the renovation of the Alpine wastewater treatment plant, including the installation of an ultraviolet ("UV") disinfection system and an additional clarifier.

We thank you in advance for your cooperation during this period of transition. We look forward to meeting with you and hearing your concerns for this wastewater system.

Sincerely,

Palmetto Wastewater Reclamation, LLC

Palmetto Wastewater Reclamation, LLC

August , 2011

Subject: Change in ownership of the Woodland Wastewater Utility

Dear Woodland Customers:

We are pleased to announce that, as of August , 2011, Palmetto Wastewater Reclamation, LLC ("PWR") has acquired the Woodland Wastewater Utility System that serves your home or business. PWR is an affiliate of Palmetto Utilities, Inc., which has a nearly thirty year wastewater service history in northeast Richland County. PWR welcomes you to the growing Palmetto family of wastewater utilities. The quality of service we provide to our customers is always important to us. Equally as important are the environmental concerns and the impact that wastewater overflows can have on area lakes and waterways.

We look forward to serving you as a customer of PWR and will keep you informed as we work to improve the Woodland system and service. You will continue to be charged the currently approved rate for Woodland. Any change in that rate must be approved by the Public Service Commission of South Carolina ("Commission"). You will be given notice of any proceeding which may be filed with the Commission for that purpose.

Please look for upcoming news and information regarding TOWN HALL MEETINGS we will hold to discuss utility improvements and other issues of concern to our customers. Meeting times will be posted on the Palmetto Utility website as details become available.

The Palmetto Wastewater Reclamation, LLC office is located at:

1710 Woodcreek Farms Rd

Elgin, SC 29045

Main: 803-699-2422; Fax: 803-699-2423

Office Hours: 8:30-4:30 Monday-Friday

<http://www.palmettoutilities.com>

Sanitary sewer overflows (SSOs) have the potential to affect downstream waterways such as Stoops Creek and the Lower Saluda River. Therefore, our primary concern going forward will be to minimize the number of, and provide better response times, to SSOs by making needed improvements.

We will be conducting a capital improvement program designed to improve the overall level of environmental compliance by making repairs to both the collection system and the treatment plant. We expect to begin repairs and improvements immediately and you may notice crews working in your neighborhood. We sincerely hope that these activities will cause you no undue inconvenience. Initial improvements, which have been coordinated with SCDHEC, will include:

Repair and cleanout of the collection system and berms around the lagoon; the clearing of rights-of-way; the inspection of and repair of manholes and lift stations.

We thank you in advance for your cooperation during this period of transition. We look forward to meeting with you and hearing your concerns for this wastewater system.

Sincerely,

Palmetto Wastewater Reclamation, LLC

AUTHORIZED UTILITY REPRESENTATIVE FORM

TYPE: ☐ Water ☒ Sewer ☐ Both

CERTIFICATED COMPANY INFORMATION

Palmetto Wastewater Reclamation LLC (PWR)	
Company Name	
PWR owns the assets of Alpine Utilities and Woodland Utilities	
Dbal/ka	Telephone
10913 Mepronome Dr	
Mailing Address	
Houston, Tx 77043	
City, State, Zip Code	
1710 Woodcreek Farms Rd	
Business Location	
Elgin, SC 29045	Lexington
City, State, Zip Code	County

REGISTERED AGENT INFORMATION

Registered Agent:	Corporation Service Company
Mailing Address:	1703 Laurel St
City, State, Zip Code:	Columbia, SC 29201

Pursuant to the Commission's rules and regulations, print or type company contact for the following:

- A. General Manager: Mike Ashfield
713-574-7762 / 713-647-0277 / mashfield@niamerica.com
Telephone Number / Facsimile Number / E-mail Address
- B. Customer Relations/Complaints Representative: Rick Melcher
979-319-0966 / 713-647-0277 / rmelcher@niamerica.com
Telephone Number / Facsimile Number / E-mail Address
- C. Engineering Operations: Craig Sherwood
~~713-574-7762~~ / ~~713-647-0277~~ / csherwood@niamerica.com
Telephone Number / Facsimile Number / E-mail Address
713-574-7769 / 803-699-2423

D. Meter Test and Repairs: See C. above

Telephone Number / Facsimile Number / E-mail Address

E. Emergencies: Craig Sherwood
803-603-4046 / 803-699-2423 / CSherwood@niamerica.com
Telephone Number / Facsimile Number / E-mail Address

In addition, please provide the following company contact information to assist in proper routing of correspondence:

A. Financial: Mark Daday
713-574-7759 / 713-647-0277 / mdaday@niamerica.com
Telephone Number / Facsimile Number / E-mail Address

B. Customer Contact (Toll Free Number): 803-699-2422

Michael J. Ashfield
This form was completed by (print name)

Sr VP Operations
Title

Michael J. Ashfield
Signature

8-12-11
Date

RETURN COMPLETED FORM TO:

Public Service Commission of SC
Docketing Department
Post Office Drawer 11649
Columbia, South Carolina 29211

And

Office of Regulatory Staff
Attn: Jeanne Gordon
1401 Main Street, Suite 900
Columbia, South Carolina 29201

REDACTED

BANK OF AMERICA - CONFIDENTIAL

PAGE: 1

DATE: AUGUST 11, 2011

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [REDACTED]

ISSUING BANK
BANK OF AMERICA, N.A.
ONE FLEET WAY
PA6-580-02-30
SCRANTON, PA 18507-1999

BENEFICIARY
THE SC PUBLIC SERVICE COMMISSION
C/O OFFICE OF REGULATORY STAFF
ATTN: WILLIE J. MORGAN
1441 MAIN STREET, SUITE 300

APPLICANT
PALMETTO WASTEWATER RECLAMATION LLC
10913 METRONOME DRIVE
HOUSTON, TX 77043

COLUMBIA, SC 29201

AMOUNT
USD 350,000.00
THREE HUNDRED FIFTY THOUSAND AND 00/100'S US DOLLARS

EXPIRATION
AUGUST 11, 2013 AT OUR COUNTERS

WE HEREBY OPEN OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER
[REDACTED] IN YOUR FAVOR FOR THE ABOVE NAME APPLICANT IN THE AMOUNT OF
USD 350,000.00


THIS LETTER OF CREDIT IS AVAILABLE FOR PAYMENT AGAINST PRESENTATION
OF BENEFICIARY'S DRAFT(S) AT SIGHT DRAWN ON BANK OF AMERICA, N.A.,
SCRANTON, PA, BEARING THE CLAUSE "DRAWN UNDER BANK OF AMERICA, N.A.
LETTER OF CREDIT NO. [REDACTED]"

ADDITIONALLY, BENEFICIARY MUST PRESENT A STATEMENT SIGNED BY THE
EXECUTIVE DIRECTOR OF THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF
(OR DESIGNEE) STATING "BY THE ATTACHED ORDER, PALMETTO WASTEWATER
RECLAMATION LLC HAS BEEN FOUND BY THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA TO BE IN VIOLATION OF AN ORDER FROM THE PUBLIC SERVICE
COMMISSION OF SOUTH CAROLINA TO PROVIDE SERVICE AND THAT ALL OR PART
OF THE AMOUNT OF BANK OF AMERICA LETTER OF CREDIT NO. [REDACTED] HAS
BEEN DECLARED FORFEITED BY THE PUBLIC SERVICE COMMISSION OF SOUTH
CAROLINA IN ACCORDANCE WITH S.C. CODE SECTION 58-5-720".

WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE
WITH THE TERMS OF THIS CREDIT WILL BE DULY HONORED ON PRESENTATION TO
US ON OR BEFORE THE EXPIRATION DATE.

BANK OF AMERICA - CONFIDENTIAL

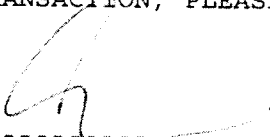
PAGE: 2

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 

IN THE EVENT OF A DRAW UNDER THIS LETTER OF CREDIT, THE BENEFICIARY IS REQUIRED TO PRESENT THE ORIGINAL LETTER OF CREDIT, AND ANY AMENDMENTS WHICH MAY BE ISSUED IN THE FUTURE, WITH ANY/ALL OTHER DOCUMENTS REQUIRED BY THIS CREDIT.

UNLESS OTHERWISE SPECIFIED THIS CREDIT IS SUBJECT TO THIS INTERNATIONAL STANDBY PRACTICES, ISP98, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL 1-800-370-7519 OPT 1.



AUTHORIZED SIGNATURE

THIS DOCUMENT CONSISTS OF 2 PAGE(S).

ORIGINAL

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011-65-S


IN RE:)
)
Joint Application for Approval of the)
Transfer of the Sewer Facilities,)
Territories, and Certificates of Public)
Convenience and Necessity of Alpine)
Utilities, Inc. and Woodland Utilities,)
Inc. to Palmetto Wastewater)
Reclamation, LLC and the Grant of a)
Certificate of Authority to Issue)
Securities)
_____)

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of the **Letter Regarding Transaction Closing** by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Jeffrey M. Nelson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201

Shealy Boland Reibold, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201



Clark Teaster

Columbia, South Carolina
This 12th day of August, 2011.